

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF JUDY WATER ASSOCIATION,)	
INC., MONTGOMERY COUNTY, KENTUCKY FOR (1) A)	
CERTIFICATE OF PUBLIC CONVENIENCE AND)	
NECESSITY AUTHORIZING THE ASSOCIATION TO)	CASE NO.
CONSTRUCT EXTENSIONS TO THE EXISTING WATER)	95-250
DISTRIBUTION SYSTEM; AND (2) APPROVAL OF THE)	
PROPOSED PLAN OF FINANCING SAID PROJECT)	

O R D E R

On June 20, 1995, Judy Water Association, Inc. ("Judy Water") filed an application for a Certificate of Public Convenience and Necessity to construct a \$502,000 waterworks improvement project, and for approval of its plan of financing for this project. This project will provide service to 94 additional customers. Project funding includes a \$198,000 bond issue to be purchased pursuant to an agreement with the U. S. Department of Agriculture's Rural Economic and Community Development ("RECD"), formerly known as Farmers Home Administration, a \$280,500 grant from RECD, and \$23,500 from applicants for service in the proposed project area.

Judy Water's application was made pursuant to KRS 278.023, which requires the Commission to accept agreements between water utilities and the U. S. Department of Agriculture and to issue the necessary orders to implement the terms of such agreements within 30 days of satisfactory completion of the minimum filing requirements. Given that minimum filing requirements were met in this case on June 20, 1995, KRS 278.023 does not grant the

Commission any discretionary authority to modify or reject any portion of this agreement.

IT IS THEREFORE ORDERED that:

1. Judy Water is hereby granted a Certificate of Public Convenience and Necessity for the proposed construction project.

2. Judy Water's proposed plan of financing with RECD is accepted.

3. Judy Water is authorized to issue bonds not to exceed \$198,000 to be held or insured by RECD.

4. Judy Water shall file a copy of the "as-built" drawings and a certified statement that the construction has been satisfactorily completed in accordance with the contract plans and specifications within 60 days of the substantial completion of the construction certificated herein.

5. Judy Water shall monitor the adequacies of the expanded water distribution system after construction. If the level of service is inadequate or declining or the pressure to any customer falls outside the requirements of 807 KAR 5:066, Section 5(1), Judy Water shall take immediate action to bring the system into compliance with Commission regulations.

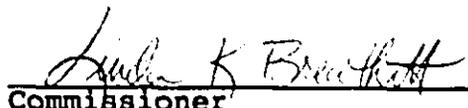
Nothing contained herein shall be deemed a warranty of the Commonwealth of Kentucky, or any agency thereof, of the financing herein accepted.

Done at Frankfort, Kentucky, this 10th day of July, 1995.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director